

**Workforce and Higher Access to Markets Activity (WHAM)
Request for Applications (RFA)**

Solicitation number: WHAM-AID-168-LA-17-00001-005

Issuance Date: July 18, 2018

Closing Date: September 12, 2018

Total Potential Funding: USD 60,000

Expected Number of Grants: 6

Maximum Award Amount: USD 10,000

Reference: Certification of Metal Sector Companies in Bosnia and Herzegovina

Dear Applicant:

You are invited to submit an application for the implementation of the terms of references contained herein. The grants will be awarded and implemented in accordance with United States Agency for International Development (USAID) and United States Government (USG) regulations governing grants under cooperative agreements, as deemed applicable by prime USAID, prime implementer International Executive Service Corps (IESC), and the Workforce and Higher Access to Markets (WHAM) Activity's internal grant management policies.

Please note that the **deadline for receiving Concept Note Applications** is 4:00pm local time on September 12, 2018. Refer to section III Application and Submission Information for further instructions and requirements.

Applicants who have questions about the application process or about this RFA should submit them to: whamgrants@iesc.org before September 5, 2018. Please write "Certification of Metal Sector" in the subject line.

This RFA contains the following attachment:
Annex 1 – Concept Note Instructions and Template

Section I. About the Program

What is the WHAM Activity and what is it trying to achieve?

The Workforce and Higher Access to Markets (WHAM) Activity is a USAID-funded program designed to stimulate job creation by advancing Bosnia and Herzegovina's (BiH) trade integration with and expansion into European Union (EU) markets. This will be accomplished via a grant program open to eligible individual small and medium-size enterprises (SMEs), or a group of SMEs working together. Grants will prioritize high-growth, exporting or export-ready SMEs aiming to expand capacity, reach more markets, and generate greater employment.

Background

A critical obstacle that hampers the competitiveness and expansion of the BiH metal industry is an enterprise's readiness and capacity to achieve and maintain quality assurance certifications required by the EU market. The high certification costs act as a barrier for SMEs but are necessary if they desire to adhere to European regulations. While some initiatives have tried to address these shortcomings, SMEs are still struggling with problems related to the implementation of international standards and requirements related to testing and certification, standardization, accreditation, and quality management needed for penetrating EU markets. This is especially evident in the BiH automotive industry where the leading SMEs are lacking the Bosnian Institute for Standardization (BAS) in European Norms (EN) ISO 3834 and BAS EN 1090 certifications needed to negotiate and produce for major global car manufacturers that produce in and for the EU market.

What are the specific intervention areas of this RFA?

BiH metal processing SMEs require quality assurance (QA) certifications to participate within greater global value chains. These enterprises are challenged in preparing for certification, acquiring the certification, and maintaining the processes and practices required of the certification. For SMEs to be more competitive in international/foreign markets, successfully realize their full business activities and potentials, and increase their sales and exports volumes, these companies are required to obtain and introduce the respective quality assurance standards.

For all metal manufacturing companies, production requirements are defined through a series of international and European standards related to quality and safety requirements. BiH SMEs with potential for high growth in the metal industry require BAS EN ISO 3834 and BAS EN 1090 certification to remain competitive in the EU market and become suppliers for major global car manufacturers that produce in and for the EU market. The WHAM Activity's outreach identified this as a critical need common among potential high-growth SMEs and essential for advancing their growth and expansion. These two standards relate to quality requirements for fusion welding of metallic materials as well as manufacturing of steel and aluminum structures, products which make up most of the local sector's production.

The WHAM Activity intends to support initiatives that lead towards the sustainable certification of local metal sector companies in these globally recognized standards. BiH companies that have acquired these certifications develop a workforce with improved capacity in welding quality that reduces defects in production as well as increases overall safety standards during production. These standards have provided further value-addition opportunities to expand an enterprise's product service options for downstream buyers in the global value chain. Those with these standards in place have established EU buyers, boosted their sales and exports, and increased their market share in the process.

Apart from these two above mentioned certificates, the WHAM Activity will actively work with metal processing sector enterprises to assess the potential for co-supporting the implementation of other quality and safety certificates relevant for EU market integration and penetration that improve workforce management skills and adherence to workplace safety and care.

WHAM invites local SMEs and groups of companies with the same or similar needs to form an interest-based alliance to submit proposals to efficiently and effectively address the following:

- Lack of BAS EN ISO 3834 and BAS EN 1090 certification; and/or,
- Lack of other quality and safety certificates relevant for EU market integration by the BiH metal-working sector.

The WHAM Activity will support local SMEs and groups of SMEs with the same or similar needs, to form partnerships, preferably, but not limited to, private-private partnerships, public-private partnerships, or in cooperation with or a bid led by a certification service provider, with the aim to organize and provide certification services.

What types of support are available from the WHAM Activity?

The Activity can provide a wide range of support to potential grantees, examples of which are detailed below. Grantees are not limited to only one area of support and can request a package of assistance if it makes business sense and meets the eligibility criteria described below:

- Assistance in establishing market-relevant certifications; and/or
- Support initiatives for gaining quality assurance certifications for accessing EU markets;

Volunteer Experts:

A distinctive feature of WHAM is its ability to field volunteer experts through the Activity's prime implementer, the International Executive Service Corps (IESC). IESC maintains a large registry of experienced, senior-level professionals from business, financial institutions, IT enterprises, and other private sector institutions. IESC volunteers are experts in their industry with years of private sector experience, deep practical knowledge and market connections. If your organization feels they can benefit from one of these experts, you can include a request for volunteer support in your initial concept note (detailed below).

Section II: Eligibility

Is my organization eligible to receive grant funding?

The focus of this RFA is to target high-growth exporting or export-ready enterprises operating in the metal industry aiming to meet EU market requirements that generate sales and increase employment. The vehicle for this assistance is most likely through service providers able to prepare the workplace and improve workforce capacity to meet and maintain certification requirements. Generally, high-growth enterprises have at least 10 employees and an average annualized growth in employees greater than 20 percent per annum over a three-year period. SMEs with fewer than 10 employees with demonstrated growth and potential may be eligible to apply. All organizations must be legally registered under the laws of BiH.

Grantees may include the following types of organizations:

- Individual SMEs from the metal sector;
- Groups of companies from the metal sector with preset internal agreements and mutual strategies;
- Certification service providers with a group of high-growth companies;
- Business organizations that coordinate these certifications with businesses;
- Individual SMEs from the metal sector with a certification service provider; and, or
- Groups of SMEs from the metal sector with a certification service provider.

Additionally, applicants are required to contribute cost-share, and are encouraged to contribute a higher proportion of the overall costs.

Are there any restrictions on what can be funded?

The WHAM Activity will not provide grants to applications that create market distortion, nor can the grants awarded be utilized for the following:

- Ceremonies, parties, celebrations, or “representation” expenses.
- Purchases of restricted goods, such as: restricted agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, contraceptive products, used equipment (without the previous approval of USAID), or prohibited goods under USAID regulations, including, but not limited to, the following: abortion equipment and services, luxury goods, etc.
- Alcoholic beverages.
- Purchase of goods or services is allowed under the U.S. Government authorized geographic code for procurement of goods and services under this award is 937 (United States, the cooperating / recipient country, and developing countries other than advanced developing countries, and excluding prohibiting sources).
- Prior obligations of and/or, debts, fines, and penalties imposed on the Grantee.

- Creation of endowments.

The WHAM Activity would not consider applications from or in partnership with:

- WHAM employees, contractors, and their family members, as well as employees or family members of participating sponsors.
- Selection Committee (REC) participants, providers of technical assistance (TA) and consulting services funded by the Activity.
- Entities listed in Parties Excluded from Federal Procurement or Non-Procurement Programs.

Applicants may only submit one application per the open RFA. All applications must be in compliance with environmental laws and regulations on environmental protection in Bosnia and Herzegovina.

Section III: Application and Submission Information

How do I apply for grant funding?

If you are an eligible organization and have a business need that aligns with one or more of the intervention areas described above, you should apply for support by submitting a four-page concept note using the Concept Note Template attached to this RFA (the detailed budget will not be counted against the page limit). Please note that concept notes will only be accepted in the application format given in Annex 1 and **must be completed in the English language.**

Concept Notes and supporting documentation should be submitted electronically to the following email address: whamgrants@iesc.org.

Questions regarding the technical or administrative requirements of this RFA may be submitted by email to whamgrants@iesc.org. Questions must be submitted in writing; phone calls will not be accepted. Questions and requests for clarification—and the responses thereto—that the WHAM Activity believes may be of interest to other offerors will be circulated to all RFA recipients who have indicated an interest in submitting Applications.

Only the written answers issued by IESC/WHAM will be considered official and carry weight in the RFA process and subsequent evaluation. Any verbal information received from employees of IESC/WHAM or any other entity should not be considered as an official response to any questions regarding this RFA.

Applicants that submit a Concept Note will be notified within 10 business days of the RFA closing date whether they were successful.

The concept note should be accompanied by the following supporting documents and certifications:

- Copy of relevant BiH registration license
- Tax ID
- VAT number (if applicable)

How does the selection process work?

The information that you provide in the concept note will help WHAM decide if you are a suitable candidate to partner with. If your idea is sound and corresponds with the objectives of the activity, WHAM staff will contact you to discuss your plans further. Based on this, you may be invited to develop a more detailed full application (WHAM personnel can assist you in this if needed). Please note that being asked to develop a full grant application does not constitute an agreement to award grant funding, as the final decision remains with USAID.

Developed applications will then be submitted to the WHAM Activity selection committee for evaluation against the merit review criteria outlined in the next section. Based on the review, the selection committee will either approve, request further clarification, or reject the application. If your application is successful, it will be submitted to USAID for final review and approval. If approval of both the WHAM Activity and USAID is provided, the award will move into a final negotiation stage. Upon successful completion of this stage, the award will be finalized, and a post award management plan will be created for each grant to ensure that the award recipient will follow and fulfill its requirements, and receive any necessary technical assistance. All awards will be monitored on an on-going basis by WHAM team and evaluated upon conclusion of the Grant Agreement. While some applications will be rejected outright, some will be sent back to the applicant for additional improvements and modifications. In such cases, the WHAM team will assist the applicant with further development of the application. Unapproved applications will receive written feedback intended to provide guidance on how to improve the application for future consideration and submission.

What criteria will my application be reviewed against?

Applications submitted to the WHAM Activity will be evaluated according to the following criteria:

| Selection Criteria | Description | Percentage weight |
|--|---|-------------------|
| 1. Experience providing BAS EN ISO 3834 and BAS EN 1090 certification and relevant results to date | Applicant(s) should describe their previous experience providing BAS EN ISO 3834 and BAS EN 1090 certification as well as the results achieved regarding sales and exports due to introduction of these standards. | 15 |
| 2. Soundness and innovativeness of the proposed certification model | Applicant(s) should describe how their certification modules considered and addressed the current needs of the SMEs and current market trends. They should also describe the duration of the certification process including the percentage of practical training and attestation expected. | 25 |
| 3. Estimated number of certified companies/ individuals through this effort in the next two years | Applicant(s) should estimate the expected number of companies and/or individuals which will be certified throughout the activity during the period of 12 and 24 months as well as assess the potential of the impact the certifications of companies and/or individuals will have on their sales, exports and markets. Also describe the pre-requirements for a company to be eligible for certification and provide the expected costs a company will incur to participate in the program. Small businesses are encouraged to apply together to share the effort and cost. | 25 |
| 4. Estimated cost per certified company/ employees | Applicant(s) should provide a detailed breakdown of costs per certification of each eligible company and/or employee. | 15 |
| 5. Organizational capacity | Applicant(s) should demonstrate that they have the organizational and financial capacity to implement this grant | 10 |
| 6. Cost-share/ Leverage ratio. | Applicant(s) must describe how the grant funding will be used and will be required to match the grant requested with their own funding or leverage third-party resources. Also, evaluation may be based upon percentage amount rather than the total value of the USD amount. | 10 |

Applications containing the following will be viewed favorably:

- Higher potential for an increase in export sales documented through the creation of long lasting and profitable export contracts.
- Higher number of companies certified through the project intervention.
- Higher employment generation – please note that new jobs are defined as persons being fully employed by the applicant, or partner, which would be documented through official employment records upon grant closeout. To not disadvantage a smaller enterprise or group of smaller enterprises from applying, applications will be evaluated as a percentage increase, regardless of the actual amount.
- Provision of effective technical assistance to a larger number of private enterprises and beneficiaries.
- Higher number of female/youth participants in selected companies.
- All other evaluation factors being equal, WHAM may assess applicants that have not received previous USAID funding more favorably. Applicants that haven't received previous USAID funding are highly encouraged to apply.

Availability of Funds and Other Considerations

Issuance of this RFA does not constitute an award commitment on the part of the Workforce and Higher Access to Markets (WHAM) or International Executive Service Corps (IESC), nor does it commit USAID or USG to pay for costs incurred in the preparation and submission of the concept note and grant application.

WHAM/IESC reserves the right to fund any or none of the applications submitted, to extend or shorten the due date for applications, and to make grant awards on a revised schedule. Grant awards will be subject to the availability of funding in the grant fund.

7. **Grant activity title:**
8. **Problem analysis and statement:**
9. **Grant objective:**
10. **Results to be achieved, linkage to grant objective, and verifiable indicators of achievement:**
11. **Identify beneficiaries, disaggregated by gender if possible, number, and how they will benefit from grant:**
12. **Anticipated duration of activity from start to finish:**
13. **Main task phases of the activity:** [Include Calendar activities with estimated periods, responsible and expected results.]

| | Time (periods) | Responsible | Expected Results |
|----------------|-----------------------|--------------------|-------------------------|
| Task 1: | | | |
| Task 2: | | | |
| Task 3: (etc.) | | | |

14. **Approximate cost of this activity (cash, in-kind, and third-party sources):**

| Organization | Total Amount in Bosnian Convertible Mark |
|--|---|
| Estimated Funding Requested from IESC/WHAM | |
| Grant Applicant Resources (Cost share)* | |
| Third-Party Resources (leverage - identify source and add lines as needed)** | |
| Total Estimated Cost | |

*Resources Grant Applicant is providing either in cash or in-kind.

**Third party resources include resources provided to the grant that are not provided by either the Grant Applicant or WHAM. Identify source and add lines as needed if more than one source.

15. **Budget:** Provide a detailed budget of costs requested from Workforce and Higher Access to Markets (WHAM) Activity under this grant.